Credit to priority sector from banks

160. SHRI SURESH PACHOURI:
SHRI IQBAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether he has expressed grave concern over the reduced flow of credit to the priority sector from banks during the last three years;

(b) if so, whether Finance Minister has urged the banking sector to deploy more credit for priority sector;

(c) whether any concrete directive has been issued to the banks by the Ministry; and

(d) if so, what are the details thereof and the action that has been initiated by the banks for providing credit for priority sector immediately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Priority sector advances of the public sector banks have shown an increase in absolute terms over the period March 1990 to March 1993. However; the percentage of priority sector advances to net bank credit has been showing a declining trend in the corresponding period. While expressing the continued commitment of the Government towards priority sector obligation, the Finance Minister in his address to the Chief Executives of the public sector banks held on 22nd June 1993 at New Delhi had emphasised the need for the public sector banks' to adhere to the target of 40 per cent laid down for the purpose. The Government has also been holding review meetings with the public sector banks regarding the advances made by them to priority sectors. Based on the review, follow up action is taken with individual banks to take steps to make good the shortfall of the banks towards priority sector lending. The Board of the concerned public sector banks also periodicaly review the position of lending under priority sector in order to take corrective measures in this regard.

Recommendations of committee on balance of payments

161. SHRI SURESH PACHOURI:
SHRI IQBAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the high level committee on the balance of payments submitted its report;

(b) if so, what are the details thereof;

(c) whether Government intend to change its policy in the light of Committee's observations; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) The recommendations mainly pertain to measures for evolving a medium-term balance of payments strategy. These include exchange rate policy, foreign currency reserves management, utilization of external assistance, approach towards commercial borrowings, policy shift with regard to NRI deposits, management of short-term debt, policy and procedural changes for the structure of external debt, promotion of foreign direct investment, and export promotion measures. Copies of the Report have already been placed in the Parliament Library.

(c) and (d) Most of the recommendations on which immediate action was required, have already been implemented or are in the process of implementation. The remaining recommendations are in the nature of suggestions to be kept in view while framing relevant policies.